



**H.R. 3020 - To amend the Small Business Act to improve the Microloan program, and for other purposes.**

**Floor Situation**

H.R. 3020 is being considered on the floor under suspension of the rules and will require a two-thirds majority vote for passage. This legislation was introduced by Representative Steve Chabot (R-OH) on July 12, 2007. The bill was referred to the Committee on Small Business. The legislation was ordered to be reported by voice on July 19, 2007.

H.R. 3020 is expected to be considered on the Floor of the House of Representatives on September 4, 2007.

**Summary**

H.R. 3020 amends the Small Business Act to raise the minimum amount available in the Microloan program from \$7,500 to \$10,000. Microloans are administered by the Small Business Administration and are available to small businesses (those with less than 5 employees) that are run by low-income owners. These loans are used for technical assistance.

This legislation also provides increased alternatives in micro-lending (such as lines of credit) and enables small firms to leverage their payment records to establish credit histories.

**Background**

Small businesses often struggle to stay competitive in an increasingly growing economy. As larger global corporations continue to grow and expand, smaller businesses, from time to time may need assistance in order to stay viable. This legislation expands the Microloan program that was put in place in the Small Business Act to make it easier for small businesses to get access to loans for technical assistance to help grow their business.

**Cost**

According to the Congressional Budget Office (CBO), "implementing H.R. 3020 would cost less than \$500,000 in 2008 and \$7 million over the 2008-2012 period, assuming appropriation of the necessary amounts. Enacting H.R. 3020 would not affect direct spending or revenues".

**Staff Contact**

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